

Figures

97th 1971





Bank Canadian National 97th Annual Report/1971



Highlights

	1971	1970
Assets	\$2,280,867,008	\$1,907,977,767
Deposits	2,088,214,688	1,748,703,838
Loans	1,215,457,461	1,073,895,300
Net Profits	7,095,626	6,634,929
Earnings per share	1.08*	1.11
Provisions for income taxes:		
on balance of profits after appropriation for losses	7,277,000	7,218,000
on appropriation for losses	1,659,000	4,113,000
Capital (per share \$2.00)	13,974,346	12,000,000
Rest account (per share \$9.89*; 1970 — \$9.00)	64,897,384	54,000,000

*Based on weighted average of issued shares.

Statement of revenue, expenses and undivided profits

for the financial year ended October 31, 1971

	1971	1970
REVENUE		
Income from loans	\$100,644,383	\$ 96,406,614
Income from securities	35,188,097	32,158,636
Other operating revenue	16,227,268	16,964,069
Total revenue	<u>\$152,059,748</u>	<u>\$145,529,319</u>
EXPENSES		
Interest on deposits	\$ 76,144,822	\$ 73,239,535
Salaries, pension contributions and other staff benefits	35,703,392	32,502,679
Property expenses, including depreciation	8,843,361	7,997,914
Other operating expenses, including provision for losses on loans based on five-year average loss experience	10,995,547	10,236,262
Total expenses	<u>\$131,687,122</u>	<u>\$123,976,390</u>
Balance of revenue	\$ 20,372,626	\$ 21,552,929
Appropriation for losses	6,000,000	7,700,000
Balance of profits before income taxes	\$ 14,372,626	\$ 13,852,929
Provision for income taxes relating thereto	7,277,000	7,218,000
Balance of profits for the year	\$ 7,095,626	\$ 6,634,929
Dividends	4,671,139	4,320,000
Amount carried forward	\$ 2,424,487	\$ 2,314,929
UNDIVIDED PROFITS		
Balance at beginning of year	1,073,773	758,844
	<u>\$ 3,498,260</u>	<u>\$ 3,073,773</u>
Transferred to Rest account	3,000,000	2,000,000
Balance at end of year	<u>\$ 498,260</u>	<u>\$ 1,073,773</u>
Earnings per share	\$ 1.08 (1)	\$ 1.11 (2)

(1) Based on the average month-end balance of fully paid up capital stock for the twelve months of the current financial year (6,564,703 shares).

(2) Number of shares: 6,000,000.

Statement of accumulated appropriations for losses

for the financial year ended October 31, 1971

Accumulated appropriations for losses at beginning of year:

	1971	1970
General	\$ 16,026,317	\$ 19,428,463
Tax-paid	10,625,850	7,317,155
Total	<u>\$ 26,652,167</u>	<u>\$ 26,745,618</u>

Additions (deductions) during year:

Appropriation from current year's operations	\$ 6,000,000	\$ 7,700,000
Loss experience on loans less provision included in other operating expenses	(854,640)	(372,686)
Profits and losses on securities, including provisions to reduce securities other than those of Canada and provinces to values not exceeding market	4,000,480	(3,306,727)
Other profits, losses and non-recurring items, net	(62,007)	(1,038)
Provision for income taxes	(1,659,000)	(4,113,000)
	<u>\$ 7,424,833</u>	<u>\$ (93,451)</u>

Accumulated appropriations for losses at end of year:

General	\$ 22,049,583	\$ 16,026,317
Tax-paid	12,027,417	10,625,850
Total	<u>\$ 34,077,000</u>	<u>\$ 26,652,167</u>

Statement of Rest Account

for the financial year ended October 31, 1971

Balance at beginning of year	\$ 54,000,000	\$ 52,000,000
Premium on capital stock subscriptions	7,897,384	—
Transferred from undivided profits	3,000,000	2,000,000
Balance at end of year	<u>\$ 64,897,384</u>	<u>\$ 54,000,000</u>

Statement of assets and liabilities

as at October 31, 1971

ASSETS

CASH RESOURCES

Cash and due from banks	\$ 231,183,172	\$ 182,362,422
Cheques and other items in transit, net	41,907,033	67,426,467
	<u>\$ 273,090,205</u>	<u>\$ 249,788,889</u>

SECURITIES

Securities issued or guaranteed by Canada, at amortized value	\$ 389,667,914	\$ 291,932,357
Securities issued or guaranteed by provinces, at amortized value	89,619,043	59,050,573
Other securities, not exceeding market value	207,039,882	145,490,571
	<u>\$ 686,326,839</u>	<u>\$ 496,473,501</u>

LOANS

Day, call and short loans to investment dealers and brokers, secured	\$ 115,600,128	\$ 65,538,281
Other loans, including mortgages, less provision for losses	1,099,857,333	1,008,357,019
	<u>\$1,215,457,461</u>	<u>\$1,073,895,300</u>

Bank premises at cost, less amounts written off	\$ 21,736,693	\$ 20,719,128
Securities of and loans to corporations controlled by the Bank	5,009,757	4,608,300
Customers' liability under acceptances, guarantees and letters of credit, as per contra	77,098,692	62,246,488
Other assets	2,147,361	246,161
	<u>\$2,280,867,008</u>	<u>\$1,907,977,767</u>

LIABILITIES**DEPOSITS**

	1971	1970
Deposits by Canada	\$ 54,314,607	\$ 16,009,977
Deposits by provinces	19,888,876	32,613,866
Deposits by banks	156,019,170	91,368,109
Personal savings deposits payable after notice, in Canada, in Canadian currency	989,717,530	890,581,931
Other deposits	868,274,505	718,129,955
	<u>\$2,088,214,688</u>	<u>\$1,748,703,838</u>
Acceptances, guarantees and letters of credit	77,098,692	62,246,488
Other liabilities	2,106,638	3,301,501
Accumulated appropriations for losses	34,077,000	26,652,167

CAPITAL

Authorized: 12,500,000 shares of \$2.00 each — <u>\$25,000,000</u>		
Issued: 6,000,000 shares fully paid		12,000,000
7,000,000 shares, of which 6,960,269 are fully paid	\$13,920,538	
Received on account of 39,731 shares purchased by instalments	<u>53,808</u>	
	13,974,346	
Rest account	64,897,384	54,000,000
Undivided profits	498,260	1,073,773
	<u>\$2,280,867,008</u>	<u>\$1,907,977,767</u>

LOUIS HÉBERT

President

GERMAIN PERREAULT

Chief General Manager

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the statement of assets and liabilities of the Bank Canadian National as at October 31, 1971, and the statements of its revenue, expenses and undivided profits, accumulated appropriations for losses and rest account for the financial year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Bank as at October 31, 1971, and its revenue, expenses, undivided profits, accumulated appropriations for losses and its rest account for the financial year ended on that date.

AUDITORS

JEAN VALIQUETTE, C.A.
of Maheu, Noël, Anderson, Valiquette & Associés

FRANK T. DENIS, C.A.
of Peat, Marwick, Mitchell & Co.

Montréal, November 19, 1971

Statements of assets and liabilities of controlled companies of Bank Canadian National



Banque Canadienne Nationale (Europe)

Statement as at December 31, 1970

ASSETS

Cash and due from banks and financial institutions dealing on the money market	F.F. 59.511.554,54
Securities	3.465.140,00
Loans, less provision for losses	30.849.988,50
Fixed assets less depreciation	195.044,20
Other assets	3.152.525,08
	<u>F.F. 97.174.252,32</u>

LIABILITIES

Deposits	F.F. 17.889.617,72
Amounts due to other banks and financial institutions dealing on the money market	66.709.523,62
Other liabilities	1.818.185,00
Capital stock authorized and issued: 40,000 shares of F.F. 250 each	10.000.000,00
Reserves	516.107,69
Undivided profits	240.818,29
	<u>F.F. 97.174.252,32</u>

NOTE

Bank Canadian National owns 60% of the capital stock of this controlled company, including the directors' qualifying shares.
As at December 31, 1970, this investment was carried on the books of the Bank at \$1,108,800.

AUDITORS' REPORT TO THE SHAREHOLDERS OF BANK CANADIAN NATIONAL

We have examined the statements of assets and liabilities of controlled companies of Bank Canadian National as at the dates indicated. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these statements present fairly the financial position of the companies as at the dates indicated.

Compagnie Immobilière BCN Ltée

Statement as at October 31, 1971

ASSETS

Cash in bank	\$ 29,157
Income taxes to be recovered	9,965
Real estate and rights in an emphyteutic lease, less depreciation	3,512,743
	<u>\$3,551,865</u>

LIABILITIES

Loan from Bank Canadian National	\$1,400,000
Capital stock authorized and issued: 20,000 shares of \$100.00 each	\$2,000,000
Undivided profits	151,865
	<u>2,151,865</u>
	<u>\$3,551,865</u>

NOTES

- (1) Bank Canadian National owns the entire capital stock of Compagnie Immobilière BCN Ltée, with the exception of the directors' qualifying shares. This investment is carried on the books of the Bank at \$1,999,500.
- (2) The Company has been assessed for income taxes for 1964, the basis of which is presently under appeal. In the event the Company is not successful in its claim additional taxes for subsequent years could amount to approximately \$150,000, for which no provision has been made.

AUDITORS

JEAN VALIQUETTE, C.A.
of Maheu, Noël, Anderson, Valiquette & Associés
FRANK T. DENIS, C.A.
of Peat, Marwick, Mitchell & Co.
Montréal, November 19, 1971

Return showing the source and utilization of the dollar

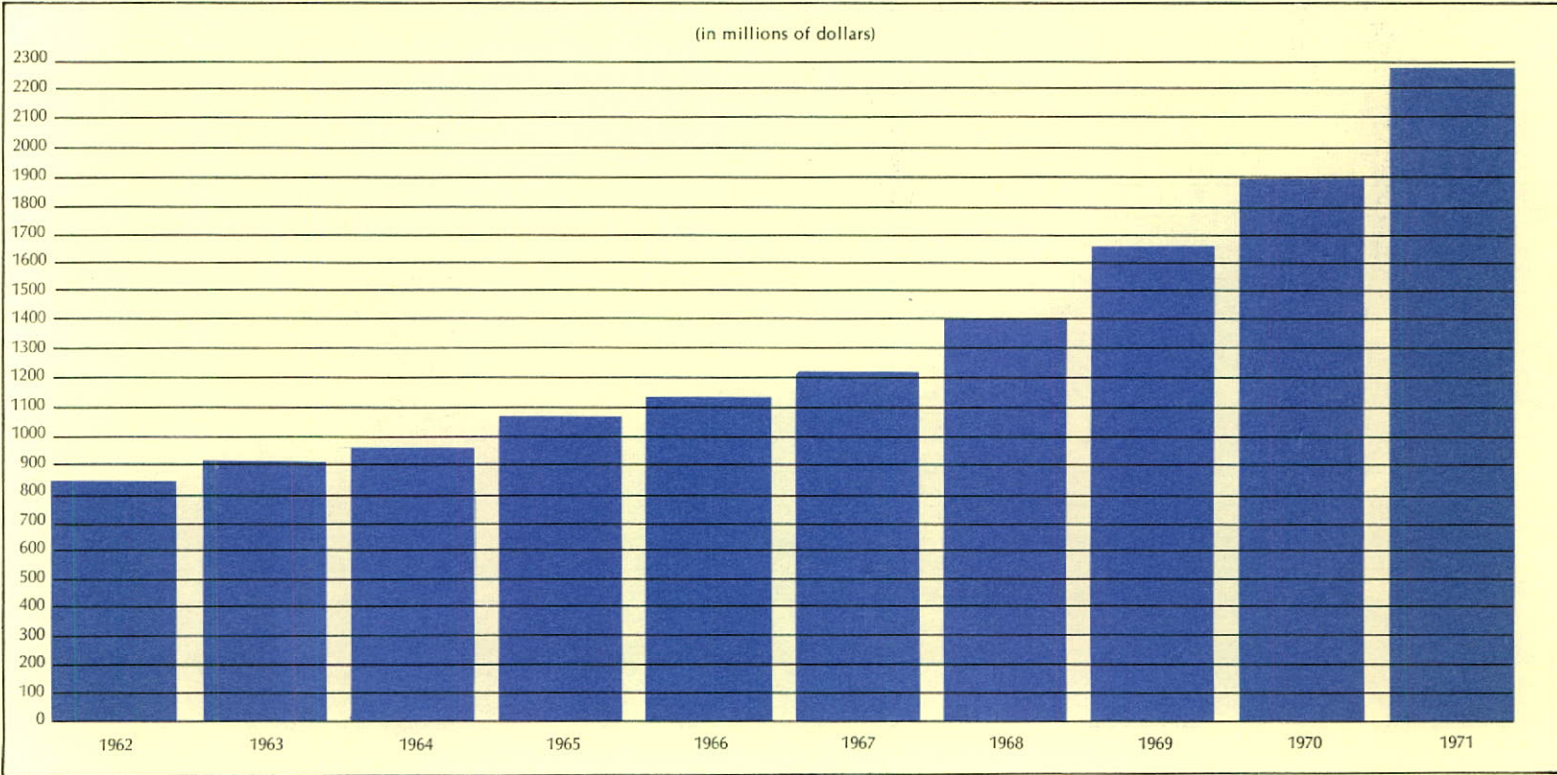
Revenue

Income from loans	66.1%
Income from securities	23.1%
Other operating revenue	10.8%

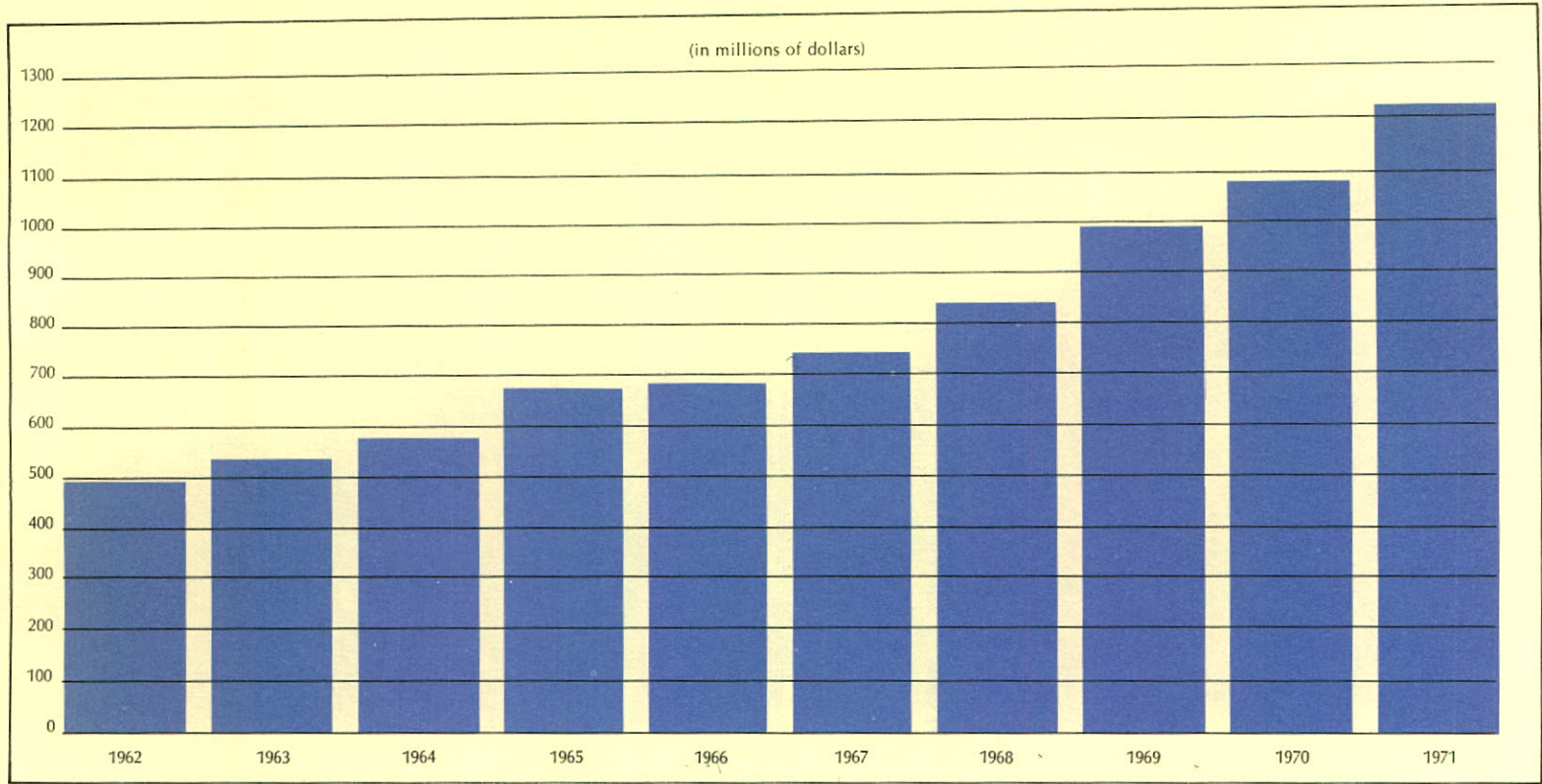
Expenses

Interest on deposits	50.0%
Salaries, pension contributions and other staff benefits	23.5%
Property expenses including depreciation	5.8%
Other operating expenses	7.3%
Appropriation for losses	3.9%
Provision for income taxes	4.8%
Dividends	3.1%
Amount carried forward	1.6%

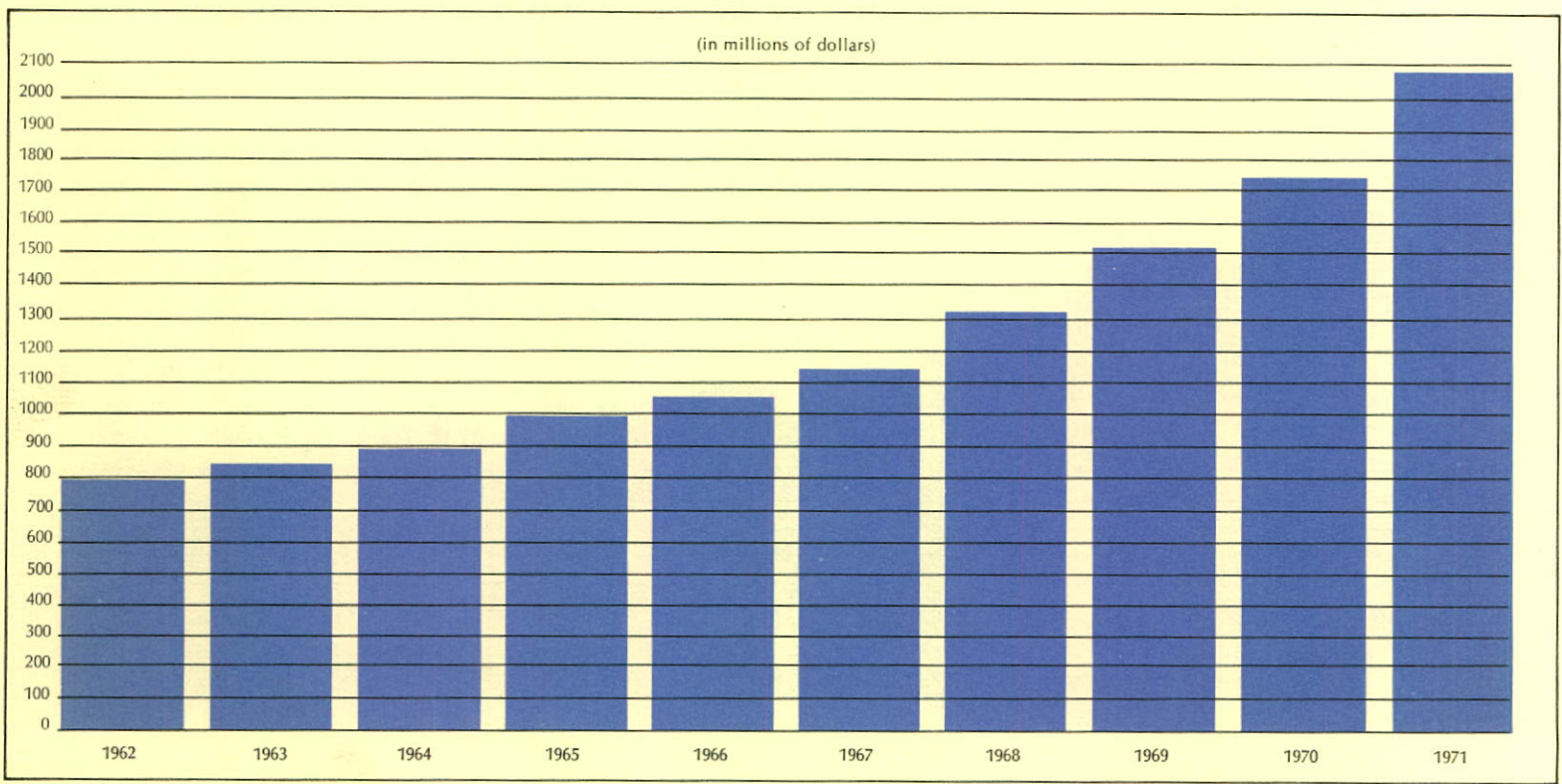
Assets



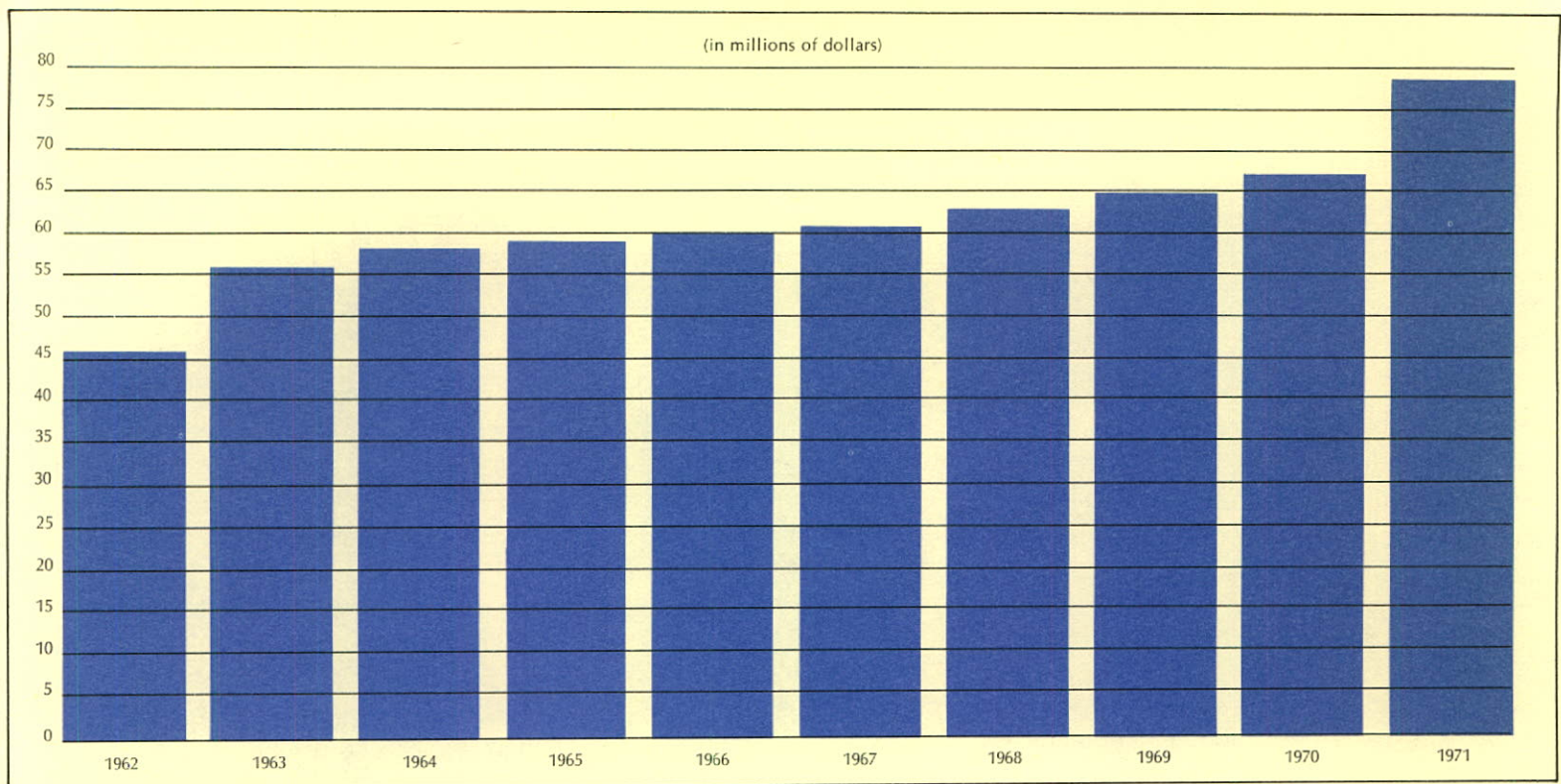
Loans



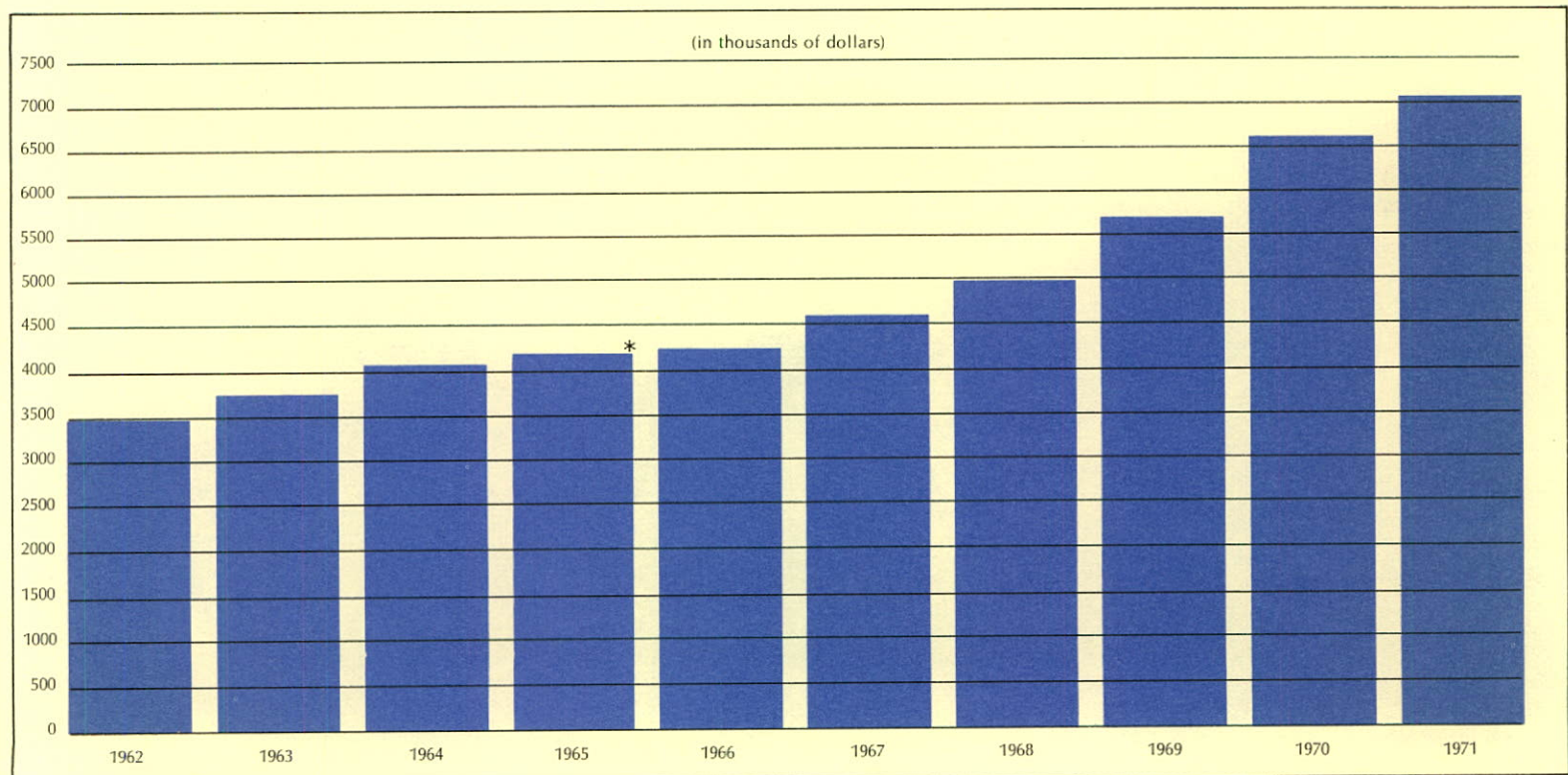
Deposits



Shareholders' Equity



Net profits



*1965 profits adjusted to a 12-month period.

Statistics for the past 10 years

(in thousands of dollars)

ASSETS AND LIABILITIES

	1971	1970
ASSETS		
Cash	273,090	249,789
Securities	686,327	496,474
Loans	1,215,458	1,073,895
Bank premises (net)	21,737	20,719
Acceptances, guarantees and letters of credit	77,099	62,246
Other assets	7,156	4,855
Total	2,280,867	1,907,978
LIABILITIES		
Deposits	2,088,215	1,748,704
Acceptances, guarantees and letters of credit	77,099	62,246
Other liabilities	2,106	3,302
Accumulated appropriations for losses	34,077	26,652
Shareholders' equity	79,370	67,074
Total	2,280,867	1,907,978
STATEMENT OF ACCUMULATED APPROPRIATIONS FOR LOSSES		
Accumulated appropriations at beginning of year	26,652	26,746
Additions (deductions) during year:		
Appropriations from current year's operations	6,000	7,700
Loss experience on loans less provision included in other operating expenses	(855)	(373)
Profits and losses on securities, etc.	4,001	(3,307)
Other profits, losses and non-recurring items, net	(62)	(1)
Provision for income taxes	(1,659)	(4,113)
	7,425	(94)
Accumulated appropriations at end of year:		
General	22,050	16,026
Tax-paid	12,027	10,626
Total	34,077	26,652

NOTE

Figures for the financial years 1962 to 1966 inclusive have been reclassified in accordance with stipulations of the new Bank Act, ratified March 23, 1967.

1969	1968	1967	1966	1965	1964	1963	1962
175,922	141,345	142,574	159,491	146,370	145,796	127,451	118,634
415,174	409,493	332,878	277,145	250,261	240,990	243,512	242,991
998,105	832,980	736,259	682,821	665,405	577,025	537,177	488,690
19,248	18,181	14,366	13,851	13,303	14,037	12,093	10,979
56,551	5,035	4,658	3,188	7,042	2,555	2,088	2,539
6,625	4,484	4,343	4,531	4,010	2,093	1,168	48
1,671,625	1,411,518	1,235,078	1,141,027	1,086,391	982,496	923,489	863,881
1,518,148	1,314,898	1,144,053	1,054,879	997,808	899,079	844,730	795,788
56,551	5,035	4,658	3,188	7,042	2,555	2,088	2,539
5,421	2,810	3,043	2,764	2,366	3,330	2,600	3,077
26,746	25,788	21,877	20,205	20,397	19,866	17,705	16,267
64,759	62,987	61,447	59,991	58,778	57,666	56,366	46,210
1,671,625	1,411,518	1,235,078	1,141,027	1,086,391	982,496	923,489	863,881
25,788	21,877	20,205	20,397	19,866	17,705	16,267	15,784
5,500	3,500	2,600	662	380	351	964	830
99	585	157	81	419	472	255	100
(2,508)	(212)	(1,145)	(1,123)	(274)	1,323	182	(524)
804	38	60	188	6	15	37	77
(2,937)	—	—	—	—	—	—	—
958	3,911	1,672	(192)	531	2,161	1,438	483
19,429	21,772	17,997	16,290	16,670	16,138	15,554	14,302
7,317	4,016	3,880	3,915	3,727	3,728	2,151	1,965
26,746	25,788	21,877	20,205	20,397	19,866	17,705	16,267

Statistics for the past 10 years

(in thousands of dollars)

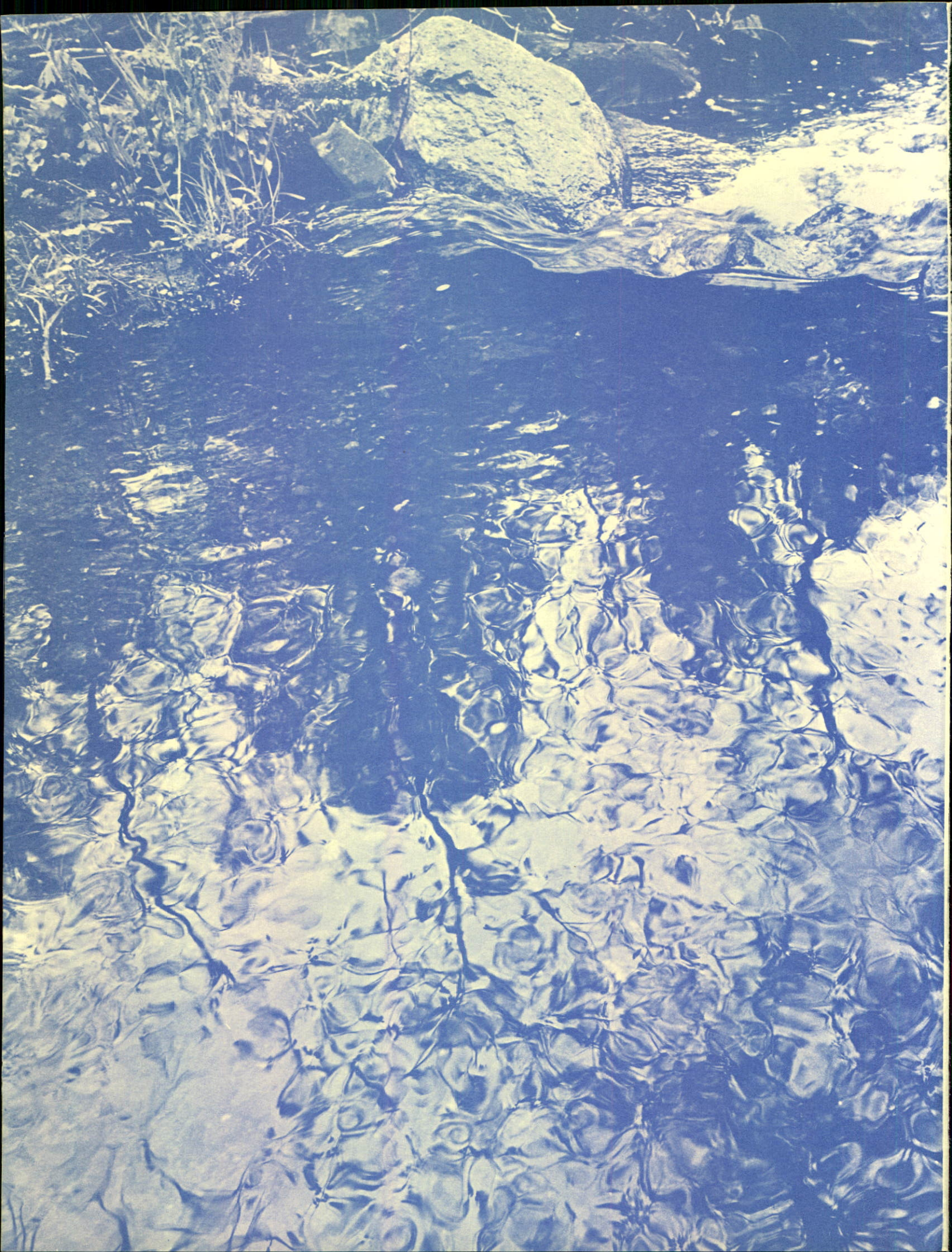
REVENUE, EXPENSES AND UNDIVIDED PROFITS

	1971	1970
REVENUE		
Income from loans	100,644	96,406
Income from securities	35,188	32,159
Other operating revenue	16,227	16,964
Total Revenue	152,059	145,529
EXPENSES		
Interest on deposits	76,145	73,239
Salaries and other fringe benefits	35,703	32,503
Property expenses, etc.	8,843	7,998
Other operating expenses	10,996	10,236
Total Expenses	131,687	123,976
Balance of revenue	20,372	21,553
Appropriation for losses	6,000	7,700
Balance of profits before income taxes	14,372	13,853
Provision for income taxes	7,277	7,218
Net profits	7,095	6,635
Dividends	4,671	4,320
Amount carried forward	2,424	2,315
Undivided profits at beginning of year	1,074	759
Transferred to Rest account	3,498	3,074
Undivided profits at end of year	3,000	2,000
	498	1,074
ADDITIONAL INFORMATION		
Number of shares (in units)	6,564,703 ⁽¹⁾	6,000,000
Earnings per share (in dollars)	1.08	1.11
Dividends per share (in dollars)	0.72	0.72
Rest account per share (in dollars)	9.89	9.00

(1) Weighted average of shares.

(2) Adjusted on basis of 5 for 1 stock split in 1967.

1969	1968	1967	1966	1965	1964	1963	1962
(11 months)							
75,177	57,614	43,986	40,598	33,934	32,809	29,751	26,591
25,805	21,122	15,499	12,301	9,844	10,454	9,632	10,387
17,218	14,626	12,900	9,709	7,533	7,722	7,392	7,082
118,200	93,362	72,385	62,608	51,311	50,985	46,775	44,060
53,679	37,680	25,642	22,641	17,198	16,339	14,631	14,112
30,060	26,563	22,552	20,410	16,955	16,433	14,871	13,867
7,422	6,645	4,922	4,483	3,865	3,880	3,509	3,100
9,590	8,393	7,004	5,511	4,858	5,117	4,810	4,092
100,751	79,281	60,120	53,045	42,786	41,769	37,821	35,171
17,449	14,081	12,265	9,563	8,435	9,216	8,954	8,889
5,500	3,500	2,600	662	380	351	964	830
11,949	10,581	9,665	8,901	8,055	8,865	7,990	8,059
6,217	5,561	5,029	4,628	4,183	4,785	4,285	4,575
5,732	5,020	4,636	4,273	3,872	4,080	3,705	3,484
3,960	3,480	3,180	3,060	2,760	2,880	2,649	2,200
1,772	1,540	1,456	1,213	1,112	1,200	1,056	1,284
987	447	991	778	666	466	210	926
2,759	1,987	2,447	1,991	1,778	1,666	1,266	2,210
2,000	1,000	2,000	1,000	1,000	1,000	800	2,000
759	987	447	991	778	666	466	210
6,000,000	6,000,000	6,000,000	6,000,000 ⁽²⁾	6,000,000 ⁽²⁾	6,000,000 ⁽²⁾	5,753,105 ⁽¹⁻²⁾	5,000,000 ⁽²⁾
0.96	0.84	0.77	0.69	0.70	0.68	0.64	0.70
0.66	0.58	0.53	0.51	0.46	0.48	0.46	0.44
8.67	8.33	8.17	7.83	7.67	7.50	7.63	7.20



Record of Proceedings

Record of proceedings of the Ninety-seventh Annual General Meeting of the shareholders, held at the Queen Elizabeth Hotel, 900 Dorchester Boulevard West, Montréal, on Thursday, 9th December, 1971, at eleven o'clock in the morning.

It was moved by Mr. Aristide Cousineau, seconded by Mr. René Leclerc, and unanimously resolved, that Mr. Louis Hébert be appointed Chairman, and Mr. Yvan Desjardins Secretary of the meeting.

The Chairman welcomed the shareholders, and then declared the meeting opened. The Secretary read the notice calling the shareholders' meeting, as published in the newspapers, and certificates attesting that the following documents had been forwarded to every shareholder, within the prescribed time, according to law: a) Notice of Meeting; b) a form of proxy; c) Statement recording the attendance of Directors at Board Meetings; d) a copy of the Record of proceedings at the Annual General Meeting held on December 10, 1970.

The Record of proceedings at the Ninety-sixth Annual General Meeting having been mailed to every shareholder, as evidenced by the certificate just read, it was moved by Mrs. André Brosseau, seconded by Mr. Rodolphe Ledoux, that this Record of proceedings be adopted as read and confirmed. This was approved unanimously by the shareholders.

On motion by Mr. Jean Louis Henrichon, seconded by Mr. Roger Dubois, it was unanimously resolved that Messrs. Denys Pelletier and Irénée Sicard be appointed as scrutineers.

The Chairman then called upon the Chief General Manager to read the Ninety-seventh Annual Report of the Board of Directors. (Please see Page 9 "Communications"). Following Mr. Perreault's remarks, Mr. Hébert then delivered the President's Address. (Please see Page 6 "Communications").

After comments had been invited from those attending and Mr. Perreault had answered various questions from the shareholders, the Chairman then yielded the floor to Mr. J. Théo Legault, who spoke as follows:

"Before approving the financial statements, I would like to call attention to one figure which impresses me a great deal. I remember that at the 1965 General Meeting, also held here at the Queen Elizabeth, a shareholder stood up to say publicly how proud he was to see the assets of the Bank surpass the billion mark for the first time. Neither would I wish to let this occasion pass without saying how happy I am to note that these assets have more than doubled in these past five years, totalling more than \$2,280,000,000 as of October 31st." Mr. Legault, seconded by Mr. A. A. Cameron, then moved: "That the shareholders give their unreserved approval to the Ninety-seventh Annual Report of the Board of Directors as presented and have taken note of the particularly excellent results achieved."

This motion was approved unanimously by the shareholders.

Mr. Lambert Lamarche, seconded by Mr. Robert Matteau, then moved the following resolution: "That the shareholders express to the Board of Directors their complete satisfaction with the results of the past financial year and that they extend to all the Directors their warm congratulations and most sincere thanks."

The meeting approved this motion unanimously. Mr. Louis Hébert, speaking for all members of the Board of Directors, then thanked the movers and all the shareholders.

On motion by Mr. Jean Bruchési, seconded by Mrs. Simone P. Savoy, it was proposed: "That the shareholders, having noted the efficiency displayed by the employees of the Bank during the financial year just ended, express their appreciation and gratitude to Mr. Germain Perreault and his predecessor, Mr. René Leclerc, along with all Bank personnel."

After this resolution was adopted unanimously, Mr. Perreault thanked the movers and the shareholders on behalf of Mr. Leclerc, himself and all the employees.

The scrutineers reported that 361,193 shares were present, and 3,508,602 were represented by proxy at the meeting, for a total of 3,869,795 shares, or 55.28% of the capital stock.

On motion by Mr. René Dupuis, seconded by Mr. André A. Audette, it was unanimously resolved that Mr. Jean Valiquette, C.A., and Mr. Jean Lacroix, C.A., be appointed auditors for the financial year ending October 31, 1972, and that their remuneration be set at a total amount of \$42,000.00, to be divided between them according to the amount of time devoted by each to the affairs of the Bank.

It was moved by Miss Jacqueline Paradis, seconded by Mr. Yvon Sirois: "That Mr. Louis Hébert, or any other Director the Board may appoint, be authorized to act as attorney or proxy of the Bank Canadian National at any and all meetings of the shareholders of Banque Canadienne Nationale (Europe)."

It was moved by Mr. Jacques Lafontaine, seconded by Mr. Marc Leroux: "That Mr. Louis Hébert, or any other Director the Board may appoint, be authorized to act as attorney or proxy of the Bank Canadian National at any and all meetings of the Compagnie Immobilière BCN Ltée."

The meeting adopted these two resolutions unanimously.

Mr. Léopold Bernier moved, seconded by Mrs. Thérèse Durand: That the undernamed shareholders be elected Directors of the Bank, and that one ballot be cast evidencing the decision of the meeting:

MR. MICHEL BARIBEAU	MR. GASTON ÉLIE
MR. J. JACQUES BEAUCHEMIN	MR. J. CLAUDE HÉBERT
MR. LAURENT BEAUDOIN	MR. LOUIS HÉBERT
MR. WILBROD BHERER	MR. JACQUES LAGASSÉ
MR. ANDRÉ CHARRON	MR. ROGER LAROSE
MR. GEORGES O. CLERMONT	MR. ANDRÉ LATREILLE
MR. ARISTIDE COUSINEAU	MR. RENÉ LECLERC
MR. ÉTIENNE CREVIER	MR. CHARLES É. MARQUIS
MR. GEORGE A. DALY	MR. RENAULT ST. LAURENT
MR. ROGER DeSERRES	MR. ROBERT M. SCHMON
MR. MARC H. DHAVERNAS	MR. ALFRED TOURIGNY

This motion having been unanimously carried, the scrutineers received the ballot from the Secretary and presented the following report:

"The undersigned scrutineers at the Ninety-seventh Annual General Meeting of the shareholders of Bank Canadian National, held at the Queen Elizabeth Hotel in Montréal, December 9, 1971, declare that they have examined the ballot

which had been handed to them and that the shareholders who have been nominated are elected Directors of the Bank."

DATED AT MONTRÉAL,
December 9, 1971.

(signed) DENYS PELLETIER
IRÉNÉE SICARD

The scrutineers' report was unanimously confirmed, and at the request of the Chairman, the Secretary then presented the newly elected Directors to the shareholders.

The meeting then adjourned

At a meeting of the Board of Directors, held immediately after the shareholders' meeting, Mr. Louis Hébert was elected Chairman of the Board and President of the Bank, and Messrs. Wilbrod Bherer, Aristide Cousineau, George A. Daly and René Leclerc were elected Vice-Presidents.

